

TS 141165

*perf*  
The Honorable Sherman Adams  
Assistant to the President  
The White House  
Washington 25, D. C.

Dear Sherm:

This is in response to your telephone call of 10 September 1957 concerning the estimated obligations of the Central Intelligence Agency during Fiscal Years 1958 and 1959.

The Congress appropriated [ ] to this Agency for Fiscal Year 1958. Of this amount [ ] was set aside in our Contingency Reserve, raising the total to [ ] (the agreed-upon level), leaving [ ] for regular operations. As you know, the purpose of our Contingency Reserve is to enable us to finance programs of an emergency nature which are not foreseen at the time of the budget submission. This avoids the necessity of requesting supplemental appropriations which usually we could not do within the bounds of proper security. We, of course, justify and receive approval for each withdrawal from the Bureau of the Budget. I cannot foresee at this time to what extent it might be necessary for us to request withdrawals from the Reserve during Fiscal Year 1958, but in any case I do not anticipate that we would need to request any additional appropriations.

In compliance with the President's desire to effect reductions in expenditures during Fiscal Year 1958, we are planning to reduce the estimated cost of our regular operations from [ ] to [ ] thereby effecting a saving of \$2,000,000.

With regard to Fiscal Year 1959, we estimate at this time that we will require approximately the same amount of money ([ ]) for our regular operations as we planned for Fiscal Year 1958. The total amount of new obligational authority requested, however, will be

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affected by the status of our Contingency Reserve at the time we submit our Fiscal Year 1959 budget to the Congress. We believe that this Reserve should be maintained at approximately [ ] and in prior years we have arranged with the Congress to carry forward the unobligated balances to the next fiscal year, not to exceed the total of [ ] I hope that withdrawals from our Contingency Reserve may be held to a minimum during Fiscal Year 1958, and if I am successful in doing this my request for new obligational authority for Fiscal Year 1959 will be considerably lower than the request for Fiscal Year 1958.

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At this time we do not contemplate any legislation that involves appropriations or expenditures for other than our normal budgetary requirements.

You may be assured that we are attempting to economize wherever possible consistent with the successful accomplishment of our mission.

Sincerely,

Allen W. Dulles  
Director

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Distribution:  
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~~cy 2~~ of 5 - ER  
cy 3 of 5 - DDCI  
cy 4 of 5 - COMPTROLLER  
cy 5 of 5 - DD/S

CONCUR:

/s/ LKWhite  
DD/S 11 Sept

TOP SECRET

TS 141165

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Sincerely,

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Director

DD/S:LKW:laq

Distribution:

- Copy 1 of 5 - Add
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CONCUR:

[ ]  
L. K. White  
Deputy Director  
(Support)

11 Sep 57

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

The Honorable Sherman Adams  
Assistant to the President  
The White House  
Washington 25, D. C.

Dear Sherm:

This is in response to your telephone call of 10 September 1957 concerning the estimated obligations of the Central Intelligence Agency during Fiscal Years 1958 and 1959.

The Congress appropriated \$ [redacted] to this Agency for Fiscal Year 1958. Of this amount [redacted] was set aside in our Contingency Reserve, raising the total to [redacted] (the agreed-upon level), leaving \$ [redacted] for regular operations. As you know, the purpose of our Contingency Reserve is to enable us to finance programs of an emergency nature which are not foreseen at the time of the budget submission. This avoids the necessity of requesting supplemental appropriations which usually we could not do within the bounds of proper security. We, of course, justify and receive approval for each withdrawal from the Bureau of the Budget. I cannot foresee at this time to what extent it might be necessary for us to request withdrawals from the Reserve during Fiscal Year 1958, but in any case I do not anticipate that we would need to request any additional appropriations.

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In compliance with the President's desire to effect reductions in expenditures during Fiscal Year 1958, we are planning to reduce the estimated cost of our regular operations from \$ [redacted] thereby effecting a saving of \$2,000,000.

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With regard to Fiscal Year 1959, we estimate at this time that we will require approximately the same amount of money [redacted] for our regular operations as we planned for Fiscal Year 1958. The total amount of new

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obligational authority requested, however, will be affected by the status of our Contingency Reserve at the time we submit our Fiscal Year 1959 budget to the Congress. We believe that this Reserve should be maintained at approximately [REDACTED], and in prior years we have arranged with the Congress to carry forward the unobligated balances to the next fiscal year, not to exceed the total of [REDACTED]. I hope that withdrawals from our Contingency Reserve may be held to a minimum during Fiscal Year 1958, and if I am successful in doing this my request for new obligational authority for Fiscal Year 1959 will be considerably lower than the request for Fiscal Year 1958.

You may be assured that we are attempting to economize wherever possible consistent with the successful accomplishment of our mission.

Sincerely,

Allen W. Dulles  
Director


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MEMORANDUM FOR: Mr. Dulles

In accordance with your request I have prepared the attached proposed letter to Governor Adams concerning our Budgets for Fiscal Years 1958 and 1959. Recommend signature.

I suggest that we insure that the letter is delivered to Governor Adams personally, and if we can do so arrange to have it returned to us when it has served its purpose.

  
L. K. White

12 Sep 57  
.(DATE)

FORM NO. 101  
1 AUG 54

REPLACES FORM 101-701  
WHICH MAY BE USED.

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MEMORANDUM FOR:

STAT

The Director is not going to ask Governor  
Adams to return it after he has seen it  
~~At the~~ (In this particular instance).

*orig hand carried on*  
*Saturday 14 Sept*  
*dated 13 Sept*  13 Sept  
(DATE)

STAT

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

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